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MEMORANDUM FOR: Special Support Assistant to the
Deputy Director (Support)

25X1A9a ATTENTION : [REDACTED]
SUBJECT : Inspector General's Report of Survey of
TS Division, FY 1968
REFERENCE : Memorandum to SSI-BS/3 from Deputy Comptroller,
dated 11 December 1968, same subject

1. The comments contained in the attachment to the reference indicated that certain action would be taken and that discussions and experiments were being conducted to arrive at practical solutions to the recommendations contained on page 396 of the subject report.

2. It is understood that you, in a recent telephone call to the Technical Accounting Staff, inquired as to the current status of efforts to comply with the Inspector General's recommendations.

3. With respect to the recommendation to eliminate the TS overseas procurement account, representatives of the TS Division and the Technical Accounting Staff met and discussed the advantages and disadvantages of such an account. It was concluded in this meeting that the procurement account should be continued in the TS area. As a matter of additional information, the advantages of procurement allotments in overseas areas are such that in fiscal year 1969 two additional overseas procurement allotments were established; one for [REDACTED] and one for [REDACTED].

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4. With respect to the recommendations to revise the budgeting and accounting procedures which prevent field stations and Agency components from obtaining reliable cost data, the Agency's costing procedures provide that all costs related to the Agency's operations will be accumulated on the records at Headquarters. Under the Agency's Financial Management Improvement Program such costs are being accumulated by cost centers which were established in collaboration with each allottor. Through the financial code symbol used to identify each cost center, allottors and other interested management officials are being provided with reports which reflect costs by organization components, by geographic areas, by project, and by

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mission; other breakdowns are also available upon request. Accumulated costs include all charges such as for salaries, travel, transportation, property, etc. The cost reports provided to allottees may be distributed by them to field stations for their information and use. In this connection, for your information, the following specific changes in costing procedures were implemented on 1 July 1959 under the Financial Management Improvement Program and should materially alleviate the problem cited by the Inspector General's report:

- a. The cost of nonexpendable property in use is now being costing to the projects or organizational components using the property. For the past several years the value of expendable material issued has been costing at the time of issue to the projects or organizational components to which such material was issued.
- b. The cost of the Printing Services Division, Office of Logistics, is being distributed to the organizational components at headquarters which use its services. This distribution is based upon the requisitions placed on the Printing Services Division.
- c. The cost of books and publications procured through the Office of Central Reference, IR/1, is being costing to the requisitioning office in the month in which the books and publications are received and delivered.
- d. On 31 October 1959, and monthly thereafter, procedures will be initiated to begin the accrual of unpaid costs. Through this procedure the accumulated costs of the organization will reflect, by cost center ^{account} number, the value of goods and services used or consumed whether or not they have been paid for.
- e. Cost reports are being prepared and distributed monthly to organizational components at headquarters. These reports are a consolidation of vouchered funds and confidential funds costs and reflect accumulated costs at the cost center level and at the office level.
- f. The status of allotment report for vouchered funds and the status of allotment report for confidential funds have been consolidated. This consolidation presents each allottee in a single report with the status of all funds available for obligation.

g. The single confidential funds allotment for transportation of things has been decentralized. Under the decentralized procedure, the funds available for obligation for transportation of things are allotted to the offices which budget for such transportation. The expenditures and costs of transportation of things are now recorded and reported by the Office of the Comptroller, by cost center account number and by office.

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Deputy Comptroller

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TAS: [REDACTED] /ph/44 Sept. 1959

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